

Wells Fargo Bank Northwest, N.A.
Fillmore
MAC U1508-011
45 South Main
Fillmore, UT 84631
435 743-6816
435 743-5192 Fax
800 869-3557

December 15, 2006

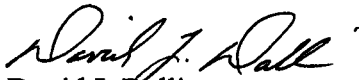
State of Utah, Dept. of Natural Resources
Division of Oil, Gas, and Mining
1594 West North Temple Ste 1210
PO Box 145801
Salt Lake City, Utah 84114-5801

Attn: Beth Ericksen

This letter acknowledges receipt of a Reclamation Surety by Wells Fargo Bank, NA from the Division of Oil, Gas, and Mining. The bank agrees to the terms and instructions of the CD Agreement letter. An administrative hold (restriction) has been placed on the account in the amount identified below until such time redemption or release authorization is provided by the Division in accordance with the instructions per the cd agreement letter.

Mine Site: Glen Goff Mine Site, S/039/014
Account Name: KSC Rocks, Inc.
Account Number:
Principal Amount: \$5,400.00
Original Acknowledgement: November 29, 2006

Sincerely,



David L. Ballin
Branch Manager

☒ **APPROVED**

RECEIVED
DEC 21 2006
DIV. OF OIL, GAS & MINING



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

MICHAEL R. STYLER
Executive Director

JOHN R. BAZA
Division Director

December 21, 2006

Wells Fargo Bank, NA
42 South Main Street
Fillmore, Utah 84631

Attention: David L. Dallin, 435- 743-6816

Subject: Reclamation Surety, Certificate of Deposit for Steven L. Sorenson aka KSC Rock Inc. Glen Goff Mine Site, S/039/014, Sanpete, County, Utah

Certificate of Deposit no. _____, Principal Amount \$5,400.00.

This letter describes the mutually agreed upon instructions of the below signed parties to Wells Fargo Bank, NA ("Bank"), regarding the control, redemption, and release of Bank's above-described certificate of deposit ("CD"), which is being used as a surety to guarantee the availability of reclamation funds for the Glen Goff Mine Site, S/039/014 ("Mine Site"), Sanpete County, Utah. It is the intention of the parties that the CD be utilized as surety to guarantee that \$ 5,400.00 in reclamation funds will be available to the State of Utah, Division of Oil, Gas & Mining ("Division") upon demand in the event that the operator(s) of the Mine Site are unable or unwilling to complete reclamation of the mine site in compliance with applicable state law and regulations.

Ownership and Renewal:

Ownership of the CD is retained by Steven L Sorenson aka KSC Rocks, Inc. an individual, ("Owners"), but it is held by Bank for the benefit of the State of Utah, Division of Oil, Gas & Mining and is subject to the terms and conditions described in this agreement. The CD shall automatically renew indefinitely until either redeemed or released by the Director of the Division.

The Division may request CD information on an occasional basis. This letter grants approval by Steven L. Sorenson, aka KSC Rocks, Inc. for the bank to provide CD information to the Division any time an inquiry is made via telephone, email, or letter.

Redemption:

The CD may only be redeemed (i.e., called on demand), pursuant to the written instruction or demand of the Director of the Utah Division of Oil, Gas & Mining to the Bank. Upon the instruction and demand of the Director, the full initial amount of the CD shall be transferred to the State of Utah, Division of Oil, Gas and Mining. Owners agree and irrevocably instruct Bank that neither the Owner(s), nor any other person claiming an ownership interest in the CD which is derived from the Owners, shall have the authority to prevent the Bank from carrying out the Director's instruction to redeem the CD. Upon redemption, any accrued interest in excess of the initial amount of the CD shall be transferred to Owners' control, or if Owners do not instruct the Bank, the accrued interest shall be reinvested in the CD. If a signature card is prepared, it shall be drafted consistent with the requirement that only the Director of the Division may redeem the CD.

Release:

The Bank shall release the CD only upon the written instruction of the Director of the Division to the Bank. Upon release, the terms and conditions of this agreement are no longer in effect, and the unconditioned control of the CD shall be returned to the Owners, or their legal successors-in-interest. In the event of Bank cancellation/termination of the Certificate of Deposit, the Division may transfer the certificate of deposit monies into a state managed cash account to assure or complete reclamation if the Operator does not replace the Certificate of Deposit within the ninety days of Bank cancellation/termination notice. If the Bank is under a forced cancellation/termination, the Bank agrees to transfer or release the CD funds to a state managed cash account at the Division's request.


Accrued Interest:

Prior to release or redemption, all interest which accrues by the CD shall be 1) dispersed quarterly to the Owner(s) as the Owner(s) may instruct the Bank, or 2) shall be reinvested in the CD until such time the Owner(s) may instruct the Bank where to transfer such interest. In no event shall the Bank transfer any

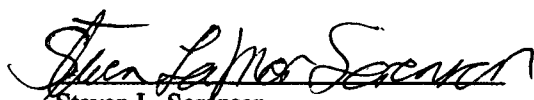
amount from the CD which would cause the redemption amount of the CD to be less than the initial amount, \$ 5,400.00. All tax liabilities for accrued interest shall remain the sole responsibility of the Owners.

Bank will not be held liable for any dispute between the parties.

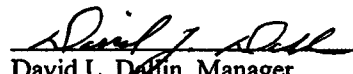
Agreed Upon By:


John R. Baza, Director
Utah Division of Oil, Gas & Mining

Date: 1/3/07


Steven L. Sorensen
aka, KSC Rocks, Inc.
Tax ID Number: d

Date: 12-21-06


David L. Daffin, Manager
Wells Fargo Bank, NA

Date: 12/21/06